

HELMS FOR SENATE COMMITTEE

P.O. Box 3039 ★ RALEIGH, NC 27602-3039
(919) 821-0806

February 15, 1995

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FEDERAL ELECTION
COMMISSION

SECRET

FEB 17 3 11 PM '95

The Honorable Danny Lee McDonald
Chairman
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: Advisory Opinion Request
Helms for Senate (FEC C00217117)

Dear Chairman McDonald:

I have asked legal counsel for Helms for Senate, Margaret Currin, to prepare the enclosed Advisory Opinion Request on its behalf.

Please contact Mrs. Currin directly if any additional information is required.

Sincerely,

J.C.D. Bailey
Treasurer

Enclosure

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**ATTORNEYS AND
COUNSELLORS AT LAW**

**(800) 989-6509
NATIONWIDE**

**CORPORATE PLAZA, SUITE 305
333 FAYETTEVILLE STREET MALL
POST OFFICE BOX 269
RALEIGH, NORTH CAROLINA
27602-0269
TELEPHONE (919) 833-0888
FACSIMILE (919) 833-8171**

**WILMINGTON OFFICES
THE COSTIN HOUSE
20 SOUTH FIFTH AVENUE
WILMINGTON, NORTH CAROLINA 28401
TELEPHONE (910) 763-3339
FACSIMILE (910) 763-1720**

February 15, 1995

**The Honorable Danny Lee McDonald
Chairman
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463**

**Re: Advisory Opinion Request
Helms for Senate (FEC C00217117)**

Dear Chairman McDonald:

On August 1, 1994, Senator Jesse Helms appointed Mr. J.C.D. Bailey Treasurer of his one and only authorized principal campaign committee, Helms for Senate (HFS), replacing the previous treasurer, Elisabeth Smith. An amended Statement of Organization (FEC Form 1) reflecting this change was filed with the Federal Election Commission, the N.C. Board of Elections, and the Secretary of the Senate as required by controlling statutes and regulations.

Since August 1, 1994, Mr. Bailey, both individually and through counsel, has made numerous and repeated requests to obtain from the former treasurer of HFS information critical to and essential for compliance with the Federal Election Campaign Act and Regulations--as well as other assets of the committee. Through negotiations with representatives of the former treasurer, HFS has succeeded in obtaining the minimal records and information required accurately to file 1994 year-end FEC reports and future FEC compliance reports. However, HFS has not received numerous other records and information which FEC Regulations (11 C.F.R. § 102.9) require committee treasurers to retain for a minimum of three years.

There is a disagreement with the former treasurer about the actual identity of the committee as well as its on-going nature. As a result, the attorney representing the former treasurer is advising her that she needs to retain these records rather than turning them over to the current treasurer.

The Honorable Danny Lee McDonald
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Legal Argument of Former Treasurer. The legal position of counsel for the former treasurer is that there are, in effect, two committees--the old and the new. As an unincorporated association whose members were the former treasurer and others, formed in and having its principal place of business in North Carolina, the committee's characteristics are governed by North Carolina Law. At common law, such an association has no legal entity or existence independent of its members. Stafford v. Wood, 234 N.C. 622, 68 S.E.2d 268 (1951). Property of the unincorporated association is vested in the members as individuals. Venus Lodge No. 62, F. & A.M. v. Acme Beney, Ass'n, 231 N.C. 522, 58 S.E.2d 109 (1950). An unincorporated association cannot normally be compelled to admit a new member. Hawkins v. North Carolina Dental Soc., 230 F. Supp. 805, rev'd 355 F.2d 718 (1964). Counsel for the former treasurer would further argue Senator Helms cannot control the disposition of the assets of the "old committee" nor make the members of the "old committee" take in the new treasurer as a member, which it declined to do. As a result, the attorney representing the former treasurer is advising her that she needs to retain these records, rather than turning them over to the current treasurer, in fulfillment of her statutory and regulatory duty and in order to respond to any inquiry made by the FEC. Further, the former treasurer represents that she will make readily available to the Commission the records of the "former committee's" activity and the documents that support its FEC reports should the Commission require information.

Position of HFS Committee. It is the Committee's interpretation of the Federal Election Laws and Regulations that federal law supersedes state law concerning the organization and composition of a candidate's authorized political committee (11 C.F.R. § 108.7), and that there is only one, on-going committee albeit with a new treasurer. The records are records of the committee, not of its members--former or present. The current treasurer, rather than the former treasurer, has the responsibility to maintain the records of the committee even for activities which preceded his appointment. Therefore, the former treasurer should provide all records, or complete copies thereof, required to be kept under the FECA to the current treasurer.

Negotiated efforts having been attempted and found unsuccessful, through this correspondence, HFS is notifying the FEC that it has exercised its best efforts, short of actual litigation, to obtain copies of these records.

Inquiry. Helms for Senate would inquire of the Commission:

- (1) whether, in fact, federal law preempts state law concerning the composition of the committee and duties and liabilities of the committee regarding the record keeping responsibilities of the committee; and
- (2) whether it can remain in compliance with the controlling statutes and regulations if the records of the Committee prior to August 1, 1994 remain in the sole possession of the former treasurer.

The Honorable Danny Lee McDonald
February 15, 1995
Page 3

If the arrangement in (2) above is determined not to comply with controlling statutes and regulations, HFS would respectfully request any assistance available from the Commission in directing the former treasurer to turn over these records, or copies thereof, to the Treasurer so that HFS can continue to comply with applicable FEC laws and regulations.

Please feel free to contact me if any additional information is required.

Sincerely,

CURRIN LAW FIRM

A handwritten signature in cursive script that reads "Margaret Person Currin". The signature is written in black ink and is positioned above the printed name.

Margaret Person Currin

**ATTORNEYS AND
COUNSELLORS AT LAW****(800) 989-6509
NATIONWIDE****CORPORATE PLAZA, SUITE 305
333 FAYETTEVILLE STREET MALL
POST OFFICE BOX 269
RALEIGH, NORTH CAROLINA
27602-0269
TELEPHONE (919) 833-0888
FACSIMILE (919) 833-8171****WILMINGTON OFFICES
THE COSTIN HOUSE
20 SOUTH FIFTH AVENUE
WILMINGTON, NORTH CAROLINA 28401
TELEPHONE (910) 763-3339
FACSIMILE (910) 763-1726**

March 10, 1995

**Mr. Jonathan Levin
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463****AOR 1995-10****Re: Supplemental Information Requested Related to Advisory Opinion Request
Helms for Senate (FEC C00217117)**

Dear Mr. Levin:

This letter is in response to your request during our recent telephone conversations for supplemental data to document certain representations contained in the Advisory Opinion Request submitted by Helms for Senate on February 15, 1995.

You have requested documentation of requests by Helms for Senate to the Committee's former treasurer for records or copies thereof which the treasurer is required by federal statute and regulations to retain for a period of three years. You will find enclosed copies of eleven letters between counsel for Helms for Senate, J.C.D. Bailey, Treasurer and legal counsel representing the interests of the former treasurer of HFS. These letters have been redacted to remove references to non-FEC compliance-related matters; FEC compliance-related matters that have been satisfactorily resolved; matters involving attorney-client privilege; and other matters irrelevant and immaterial to the pending Advisory Opinion Request. A brief index/summary of this correspondence, in chronological order, follows:

- 1) August 23, 1994 correspondence from HFS specifically enumerating items which need to be turned over to the new treasurer.
- 2) August 25, 1995 correspondence from counsel for former treasurer providing their reliance on North Carolina state law as determinative of the issues.

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Mr. Jonathan Levin
March 10, 1995
Page 2

- 3) **September 2, 1994 correspondence from HFS reiterating the August 23 list and including other items.**
- 4) **September 10, 1994 correspondence from HFS articulating its legal position that federal law preempts state law on the questions at issue.**
- 5) **September 30, 1994 correspondence from counsel for former treasurer interpreting her on-going liability for all matters occurring prior to August 1, 1994--the date of the appointment of the new treasurer.**
- 6) **October 7, 1994 correspondence from HFS restating requests of August 23, September 2, and 10.**
- 7) **October 20, 1994 correspondence from HFS requesting all records or copies and re-emphasizing the legal position of federal preemption.**
- 8) **November 15, 1994 correspondence from counsel for former treasurer restating their position that state law controls.**
- 9) **December 13, 1994 correspondence from HFS again requesting copies of all the necessary FEC compliance materials.**
- 10) **January 23, 1995 correspondence from HFS comprising final efforts to obtain copies of all materials required to be retained by the treasurer for three years.**
- 11) **February 3, 1995 correspondence from counsel for former treasurer representing that all FEC compliance information for 1994 year-end report and future compliance reports has been provided; and that pre-August 1, 1994 records and supporting documentation will be made available to the FEC.**

I would like to emphasize again that this matter has raised no question about the completeness and accuracy of the Committee's 1994 year-end report or the Committee's ability to file complete and accurate compliance reports in the future. Complete donor data is available to assure that all contribution reports are in compliance with the FEC Act. The bookkeeper was able to re-create the Committee's disbursements from July 1-August 1, 1994 so that that portion of the year-end report was complete. As a safeguard, the 1994 year-end report was amended in a timely manner after obtaining and reviewing a copy of the partial report filed for that one-month period by the former treasurer.

Mr. Jonathan Levin
March 10, 1995
Page 3

You requested clarification of what changes were made as a result of the appointment of a new treasurer of Helms for Senate. Though the relevance of this information to the pending Advisory Request is unclear, the following information is provided. When Mr. J.C.D. Bailey was appointed the new treasurer on August, 1, 1994, an amended Statement of Organization (FEC Form 1) was filed reflecting this change. That amended FEC Form 1 (dated August 1, 1994) also reported a change in mailing address for the Committee. As soon as a new physical location for the Committee was acquired, the Commission was likewise notified in a timely manner via amended FEC Form 1 (dated September 29, 1994).

Helms for Senate would like to renew its inquiry to the Commission as to:

- (1) whether, in fact, federal law preempts state law concerning the composition of the committee and duties and liabilities of the committee regarding the record keeping responsibilities of the committee; and
- (2) whether it can remain in compliance with the controlling statutes and regulations if the records of the Committee prior to August 1, 1994 remain in the sole possession of the former treasurer.

If the arrangement in (2) above is determined not to comply with controlling statutes and regulations, HFS would respectfully request any assistance available from the Commission in directing the former treasurer to turn over these records, or copies thereof, to the Treasurer so that HFS can continue to comply with applicable FEC laws and regulations.

Please feel free to contact me if any additional information is required.

Sincerely,

CURRIN LAW FIRM



Margaret Person Currin

Enclosures

cc: Mr. J.C.D. Bailey, Treasurer
Helms for Senate

ATTORNEYS AND
COUNSELLORS AT LAW

(800) 989-6509
NATIONWIDE

SMOKERIE TOWER
3100 SMOKERIE COURT
SUITE 508
POST OFFICE BOX 40518
RALEIGH, NORTH CAROLINA
27629-0518
TELEPHONE (919) 790-1662
FACSIMILE (919) 850-9482

WILMINGTON OFFICE
THE CAPITOL HOUSE
20 SOUTH FIFTH AVENUE
WILMINGTON, NORTH CAROLINA 28401
TELEPHONE (910) 763-3339
FACSIMILE (910) 763-1728



August 23, 1994

Mr. Joe T. Knott III
Pipkin & Knott
100 E. Six Forks Road
Raleigh, North Carolina 27609

VIA FACSIMILE
(919) 783-9650

Dear Joe:

As I have been out of the office since Friday, I have had an opportunity to review today for the first time your August 19, 1994 letter. I think I should correct several misconceptions that you have:



(2) You state that the "old" HFS Committee is now dissolved, out of business, and even out of existence. Senator Helms has authorized no such action. He has simply substituted a new treasurer. All property and assets of HFS appropriately remain the property of the committee under the stewardship of the treasurer.

I am unclear about your reference in item 3 of your letter regarding the filing of a final termination report with the FEC on its activity from July 1 to August 1. I assume that you may be referring to the 1984 Committee, which was waiting to be closed out upon clearance of some refunds to over-contributors. Because the FECA prohibits political committees with outstanding debts and obligations from terminating, I trust that you are not referring to the existing committee. I would appreciate your clarifying this matter.

August 23, 1994
Joe T. Knott, III
Page 2

A box containing the items enumerated in your August 19, 1994 letter was received in our office late Friday afternoon. I have been informed that everything you listed in that letter was indeed delivered. HFS has recently hired Cathy Singleton as a staff person. She reports to Jack Bailey and will be performing many of the same duties that she did when she worked for Carter. This will provide good continuity and should facilitate the transition. I think Jack is most fortunate to have acquired the services of Cathy. In this regard, Cathy has informed Jack that in addition to what was sent over on Friday, that she needs the following items immediately:

- Endorsement stamps
- Paid invoices 1991 through present
- Check registers
- Bank statements
- Financial statements and ledgers
- Payroll information and coupon books
- FEC reports for 1984, 1990, and 1996
- 1984 check book and back reconciliations
- Redesignation and reattribution letters and check copies
- Index record cards showing refunds, redesignations, and reattributions for 1990 and 1996
- Batch control sheets 1991 through present
- Unpaid invoices
- Alpha full history of all 1996 contributors (computer tape)

You may either have these delivered to our office, or Cathy can pick them up if that is more convenient for you.

[REDACTED]

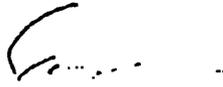
Again, please get in touch with Margaret or me today, certainly no later than Wednesday, as to when Cathy can pick these items up. As Cathy settles into her job, we will let you know what other information she may need.

August 23, 1994
Joe T. Knott, III
Page 3

[REDACTED]

Sincerely,

CURRIN LAW FIRM



Samuel T. Currin

[REDACTED]

Mr. Samuel T. Currin
August 25, 1994
Page Two

To avoid further misunderstanding, it would help me if you could share with me the law and cases upon which you are relying to support your contention that the Helms for Senate Committee (old and new) is a single legal entity that has a legal existence separate and apart from its members. Perhaps if I explain my view of the law, you could point out where I am in error and give me citations to cases and statutes that support your conclusion.

The first question is what sort of legal entity was the "old" Helms for Senate Committee. It was never incorporated, so it is clear that it is not any sort of a corporation. It was an unincorporated association whose members were Lib Smith and Carter Wrenn and since it was formed in North Carolina and had its principal place of business in North Carolina, its characteristics are governed by North Carolina law. At common law, such an association has no legal entity or existence independent of its members. Stafford v. Wood, 234 N.C. 622, 68 S.E.2d 268 (1951). Property of the unincorporated association is vested in the members as individuals. Venus Lodge No. 62, F. & A.M. v. Acme Boney Ass'n., 231 N.C. 522, 58 S.E.2d 109 (1950). An unincorporated association cannot normally be compelled to admit a new member. Hawkins v. North Carolina Dental Soc., 230 F.Supp. 805, rev'd 355 F.2d 718 (1964).

If my legal analysis is correct, then Senator Helms

[REDACTED]

[REDACTED] cannot make the members of that Committee take in Jack Bailey as a member. Nor does Senator Helms personally own the assets of the "old" Committee or control the disposition of those assets. (In your letter of August 23, 1994, you refer to the "property of the Committee" so I assume you are not contending that Senator Helms is the owner). No agreement has ever been reached between Carter and Jack Bailey that would admit Jack as a member of the "old" Committee.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

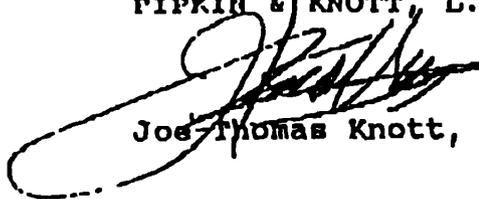
Mr. Samuel T. Currin
August 25, 1994
Page Three

[REDACTED]

Sam, if I am wrong about the law, please tell me where and how I am wrong. I, obviously, don't want to rely upon a misapprehension of the law in a matter as important as this one.

[REDACTED]

Yours truly,
PIPKIN & KNOTT, L.L.P.


Joe Thomas Knott, III

JTK/kc

[REDACTED]

ATTORNEYS AND
COUNSELLORS AT LAW

(800) 989-6509
NATIONWIDE

CORPORATE PLAZA, SUITE 305
333 FAYETTEVILLE STREET MALL
POST OFFICE BOX 269
RALEIGH, NORTH CAROLINA
27602-0269
TELEPHONE (919) 833-0888
FACSIMILE (919) 833-8171

WILMINGTON OFFICES
THE COSTIN HOUSE
20 SOUTH FIFTH AVENUE
WILMINGTON, NORTH CAROLINA 28401
TELEPHONE (910) 763-3339
FACSIMILE (910) 763-1720

SAMUEL T. CURRIN, ESQ.

September 2, 1994



Mr. Joe T. Knott, III
Pipkin & Knott
100 E. Six Forks Road, Suit 308
Raleigh, North Carolina 27609

Dear Joe:

[REDACTED]

There are a few of the outstanding obligations, however, about which HFS presently has insufficient information. In order to ascertain the necessary information prior to payment, and so that HFS can continue to comply with all FEC requirements, I ask again that the remaining assets of HFS be turned over to its new treasurer. To reiterate, the Committee needs all donor records; paid invoices 1991 through present; check registers; bank statements; financial statements and ledgers; payroll information; FEC reports for 1984, 1990, and 1996; 1994 check book and reconciliations; redesignation and reattribution letters and check copies; index record cards showing refunds, redesignations, and reattributions for 1990 and 1996; batch control sheets 1991 through present; unpaid invoices and supporting documentation; alpha full history of all 1996 contributors (computer tape); [REDACTED]
As soon as the Committee has this, it can proceed to satisfy other outstanding obligations.

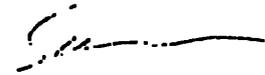
[REDACTED]

Mr. Joe Knott
September 2, 1994
Page 2

Again, Joe, I appreciate your efforts in this matter. Through our mutual efforts, I believe we are working toward the peaccable settlement that we both prefer.

Sincerely,

CURRIN LAW FIRM



Samuel T. Currin
Attorney at Law

cc: 
Mr. J.C.D. Bailey

ATTORNEYS AND
COUNSELLORS AT LAW

(800) 989-6509
NATIONWIDE

CORPORATE PLAZA, SUITE 305
333 FAYETTEVILLE STREET MALL
POST OFFICE BOX 269
RALEIGH, NORTH CAROLINA
27602-0269
TELEPHONE (919) 833-0888
FACSIMILE (919) 833-8171

WILMINGTON OFFICES
THE COSTIN HOUSE
20 SOUTH FIFTH AVENUE
WILMINGTON, NORTH CAROLINA 28401
TELEPHONE (910) 763-3339
FACSIMILE (910) 763-1720

SAMUEL T. CURRIN, ESQ.

September 10, 1994



Mr. Joe Knott
Pipkin & Knott
100 E. Six Forks Road
Raleigh, North Carolina 27609

Dear Joe:

I received your letter of September 6, 1994; and am concerned by the position of "holding hostage" the assets which I thought everyone agreed belong to the Helms for Senate Committee.

You referred to your August 25 letter. As to your citations of North Carolina law, I have not gone behind your research, and I assume that the cases stand for the propositions for which you have cited them. I submit, however, that they are immaterial to the issue before us.

Helms for Senate is a federally created, on-going entity pursuant to Title 2 of the United States Code. It is a political committee authorized by Senator Helms, and registered with and recognized by the Federal Election Commission. This is the only relevant and material factor so far as its existence is concerned. The treasurer of this authorized political committee, whoever may be appointed to that position at any given time by the Senator, is the only identity relevant to the issue of asset custody. The treasurer of the committee is required by the controlling statutory authority to maintain the donor and expenditure records of the Committee; and to the extent that, during a transition or otherwise, the records are not made available to him, the Federal Election Commission itself will be happy to subpoena those records from the possession of whoever has them. I certainly hope that neither that remedy nor private litigation will be necessary to end this pettiness over items which have absolutely no use, benefit, value, or otherwise to Carter. As for these records, if he wants to keep a copy for whatever appropriate use he may make of them, our present position is "that's fine."

[REDACTED]

[REDACTED]

Mr. Joe Knott
September 10, 1994
Page 2

[REDACTED]

Sincerely,

CURRIN LAW FIRM



Samuel T. Currin

STC/mlp

[REDACTED]

**ATTORNEYS AND
COUNSELLORS AT LAW**

**(800) 989-6509
NATIONWIDE**

**CORPORATE PLAZA, SUITE 305
333 FAYETTEVILLE STREET MALL
POST OFFICE BOX 269
RALEIGH, NORTH CAROLINA
27602-0269
TELEPHONE (919) 833-0888
FACSIMILE (919) 833-8171**

**WILMINGTON OFFICES
THE COSTIN HOUSE
20 SOUTH FIFTH AVENUE
WILMINGTON, NORTH CAROLINA 28401
TELEPHONE (910) 763-3339
FACSIMILE (910) 763-1720**

SAMUEL T. CURRIN, ESQ.



October 7, 1994

Mr. Joe Knott
Pipkin & Knott
100 E. Six Forks Road
Raleigh, North Carolina 27609

Dear Joe:

This is in response to certain specifics contained in your letter of September 30. As you will see, the consequence is that Helms for Senate has not been provided all of the existing information necessary for FEC reporting and compliance.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Mr. Joe Knott
October 7, 1994
Page 2

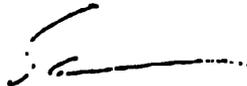
[REDACTED]

(3) The FEC Act authorizes only the treasurer of an authorized political committee to sign that committee's FEC report. The current treasurer of the on-going Helms for Senate Committee, Jack Bailey, is the only person authorized to sign HFS reports. Consequently, the solution you propose--having the "old committee" file FEC reports for activity from July 1 through August 1--is not an option--practically or legally.

Joe, much as both of us would like, this matter is not capable of so idealistic a resolution as you have suggested. Only a few of the practical and legal impediments are discussed above. And these only deal with the HFS assets immediately needed for FEC compliance--we have yet to address the numerous other assets enumerated in my letters of August 23, September 2, September 10, and September 23, many of which are also needed for FEC compliance. I reiterate all of the Committee's prior requests, with a special emphasis on the 1996 election-cycle compliance data; and urge you to prevail upon Carter to comply with these requests

Sincerely,

CURRIN LAW FIRM



Samuel T. Currin

STC:mlp

[REDACTED]

**ATTORNEYS AND
COUNSELLORS AT LAW**

**(800) 989-6509
NATIONWIDE**

**CORPORATE PLAZA, SUITE 305
333 FAYETTEVILLE STREET MAIL
POST OFFICE BOX 269
RALEIGH, NORTH CAROLINA
27602-0269
TELEPHONE (919) 833-0888
FACSIMILE (919) 833-8171**

**WILMINGTON OFFICE
THE COSTIN HOUSE
20 SOUTH FIFTH AVENUE
WILMINGTON, NORTH CAROLINA 28401
TELEPHONE (910) 763-3339
FACSIMILE (910) 763-1720**

SAMUEL T. CURRIN, ESQ.



October 20, 1994

Mr. Joe Knott
Pipkin & Knott
100 E. Six Forks Road
Raleigh, North Carolina 27609

Dear Joe:

While the meeting today did not accomplish nearly as much as I had hoped, I believe we were able to reach an accord on two items:

[REDACTED]

Both of these should be available within a week.

We have searched again through the information you sent over on August 19, 1994. The reattribution/redesignation information which we discussed earlier today was not included, nor did your cover letter accompanying the material make any reference to it. We would ask that Carter provide another copy of this information.

We were not successful in resolving the following items:

[REDACTED]

Mr. Joe Knott
October 20, 1994
Page 2

- [REDACTED]
- (4) transfer of all other records [REDACTED] of Helms for Senate, even by retaining copies thereof.
- [REDACTED]
- [REDACTED]
- [REDACTED]

Obviously, since our meeting earlier today, I have not had time to provide you a "Brandeis brief." But I do call your attention to the enclosed page from the FEC Publication "Committee Treasurers." As the emphasized portion indicates, Mr. Bailey is the one to whom the FEC will look for anything involving Helms for Senate. This is the factor motivating the concern for [REDACTED] he requests that all of the records of Helms for Senate be provided to the Treasurer, Jack Bailey. [REDACTED]

[REDACTED]

[REDACTED]

Sincerely,

CURRIN LAW FIRM

/s/
Samuel T. Currin

Enclosure

STC:mlp

bcc: J.C.D. Bailey
[REDACTED]

Treasurer's Liability

Compliance with FEC Law

Treasurers are responsible for carrying out their duties under the law, even if their committees have incorporated for liability purposes.

In an enforcement action brought against a committee, the Commission names as respondents (i.e., those alleged to have violated the law) both the committee itself and the committee treasurer, in his or her official capacity. Even when an enforcement action alleges violations that occurred during the term of a past treasurer, the Commission names the current treasurer as a respondent in his or her official capacity.

Committee's Debts

The Act and Commission regulations do not govern a treasurer's personal liability for payment of the committee's debts. In Advisory Opinion 1975-102, the Commission said: "In general, debt claims and liabilities are subject to relevant State law, and the Committees' responsibility for satisfying the obligations would have to be determined with reference to those laws."

Designation of Officers

Under the Federal campaign finance law, a committee must officially designate a treasurer and custodian of records. (The same person may hold both positions.) If it wishes, the committee may also designate an assistant treasurer. It is unnecessary to disclose the names and positions of other officers appointed by the committee—such as a chairman or director.

Treasurer

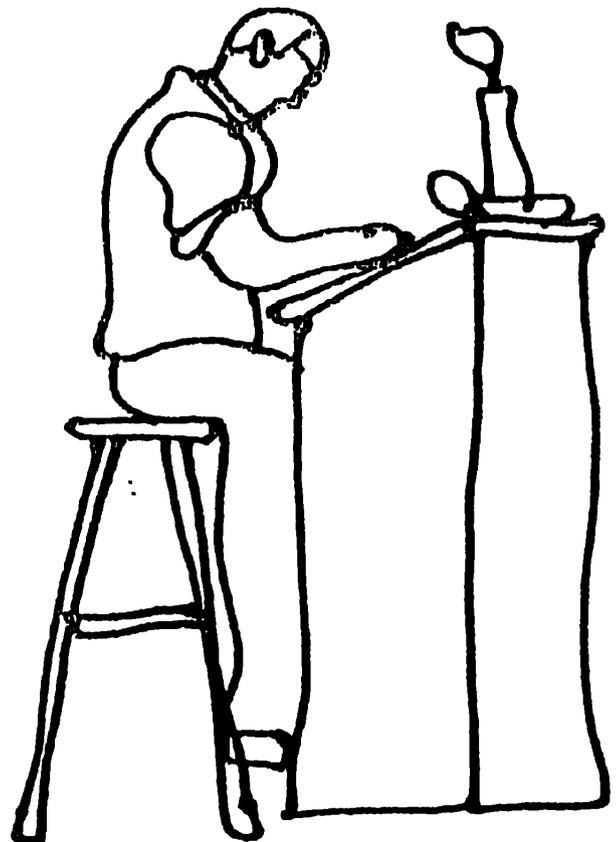
Anybody can become a treasurer. No special training is required, but a knowledge of basic accounting principles is helpful. Otherwise, the treasurer may wish to obtain the services of a bookkeeper or accountant.

A committee treasurer is officially designated on the Statement of Organization, FEC Form 1 (see page 2).

Assistant Treasurer

If the treasurer is unable to exercise his or her duties (for example, is not available to sign a report), only an assistant treasurer who has been officially designated on the Statement of Organization may assume the treasurer's duties. This is also true if the current treasurer resigns. Under the law, a political committee may not accept contributions or make expenditures without a treasurer. An officially named assistant treasurer, however, may function as the treasurer until a new treasurer is designated on an amended Statement of Organization. To avoid delays in reporting and other compliance problems that could develop in the treasurer's absence, the Commission recommends that committees designate an assistant treasurer on their Statements of Organization.

The assistant treasurer may be named when the treasurer first files the Statement or at a later time, in which case the treasurer would file an amended Statement (see below).



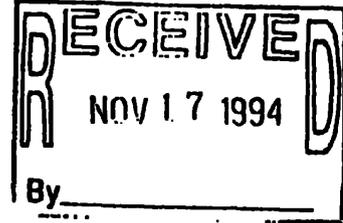
PIPKIN & KNOTT, L.L.P.
ATTORNEYS AT LAW
100 E. SIX FORKS ROAD, SUITE 308
RALEIGH, NORTH CAROLINA 27609

ASHMEAD P. PIPKIN
JOE THOMAS KNOTT III
MICHAEL W. CLARK, ASSOCIATE

TELEPHONE (919) 783-5000
TELECOPY (919) 783-0650

November 15, 1994

Mr. Samuel T. Currin
The Currin Law Firm
PO Box 269
Raleigh, NC 27602-0269



Re: Helms for Senate

Dear Sam,

[REDACTED]

[REDACTED]

[REDACTED]

I reviewed your enclosure about Treasurer's liability. It does not apply as we are dealing with two Committees, not one. The enclosure does state "debt claims and liabilities are subject to relevant state laws" and that "a Committee must designate a Treasurer." This is precisely what we have been saying. The Committee is subject to state law, the Committee designated the Treasurer and was formed in accordance with FEC regulations 100.3, 100.5, 101.1 and 102.1. It is our opinion to proceed in a manner other than we have proposed would be contrary to state law and could also result in our clients violating the FECA.

[REDACTED]

[REDACTED]

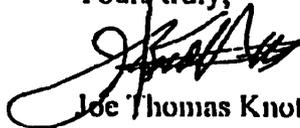
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Yours truly,



Joe Thomas Knott, III

[REDACTED]

[REDACTED]

**ATTORNEYS AND
COUNSELLORS AT LAW**

**(800) 989-6509
NATIONWIDE**

**CORPORATE PLAZA, SUITE 305
333 FAYETTEVILLE STREET MAIL
POST OFFICE BOX 269
RALEIGH, NORTH CAROLINA
27602-0269
TELEPHONE (919) 833-0888
FACSIMILE (919) 833-8171**

**WILMINGTON OFFICES
THE CURRIN HOUSE
20 SOUTH FIFTH AVENUE
WILMINGTON, NORTH CAROLINA 28401
TELEPHONE (910) 761-3339
FACSIMILE (910) 761-1720**

SAMUEL T. CURRIN, ESQ.



December 13, 1994

Mr. Joe Knott
Pipkin & Knott
100 E. Six Forks Road
Raleigh, North Carolina 27609

Re: Helms for Senate

Dear Joe:

[REDACTED]

Even though we remain in disagreement regarding the responsibilities and liabilities of the treasurers (past and present), if both sides were to acknowledge the reasonableness of the other's legal position, certainly we could at least reach the accommodation of providing the new treasurer with copies of all the necessary compliance materials.. [REDACTED]

[REDACTED]

[REDACTED]

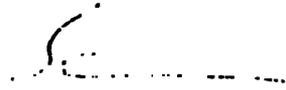
Mr. Joe Knott
December 13, 1994
Page 2

If HFS discovers the need for additional information for timely and complete FEC compliance, I will contact you again.

Best wishes for a happy holiday season.

Sincerely,

CURRIN LAW FIRM



Samuel T. Currin

STC:mlp

**ATTORNEYS AND
COUNSELLORS AT LAW**

**(800) 989-6509
NATIONWIDE**

**CORPORATE PLAZA, SUITE 305
333 FAYETTEVILLE STREET MALL
POST OFFICE BOX 269
RALEIGH, NORTH CAROLINA
27602-0269
TELEPHONE (919) 833-0888
FACSIMILE (919) 833-8171**

**WILMINGTON OFFICES
THE COSTIN HOUSE
20 SOUTH FIFTH AVENUE
WILMINGTON, NORTH CAROLINA 28401
TELEPHONE (910) 763-3339
FACSIMILE (910) 763-1720**

SAMUEL T. CURRIN, Esq.



January 23, 1995

**Mr. Joe Knott
Pipkin & Knott
100 E. Six Forks Road
Raleigh, North Carolina 27609**

Re: Helms for Senate

Dear Joe:

I appreciate your assistance last month in helping obtain the compliance information Helms for Senate requested at that time. I am advised that there remains some compliance data which Helms for Senate needs both in the short term and for overall compliance.

I hope that, despite disagreements regarding the responsibilities and liabilities of the treasurers (past and present), we have reached an accord regarding the availability of all compliance data. In that regard, I am relaying our final request that complete copies of all FEC compliance materials and all records related to the 1996 election be provided to the new treasurer forthwith, and I call on you once again to attempt to persuade Carter to reason. Specifically, Helms for Senate needs copies of the following:

- all FEC reports
- all reattribution/redesignation letters
- card file of refunds/reattributions/redesignations
- paid invoices
- tax reports
- bank statements
- payroll records
- check books
- batch control sheets-
- all other FEC compliance materials relative to the 1996 campaign.

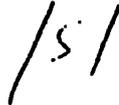
Mr. Joe Knott
January 23, 1995
Page 2

Cathy Singleton would be available to assist in identifying all of the necessary information, and Helms for Senate will gladly pick up this material from your office or other convenient location.

If we have not received this material by February 6, I have been directed to advise the Federal Election Commission that the former treasurer has refused to provide Helms for Senate with the records necessary for the committee to remain in compliance with FEC laws and regulations, and to request the FEC to intercede and order that these records, or complete copies thereof, be provided to the treasurer of Helms for Senate. I will be prepared to comply with this direction if this matter has not been satisfactorily resolved within the next two weeks.

Sincerely,

CURRIN LAW FIRM

A handwritten signature in black ink, appearing to read 'S.T. Currin', written over the printed name.

Samuel T. Currin

STC:mlp

bc: J.C.D. Bailey

PIPKIN & KNOTT, L.L.P.
ATTORNEYS AT LAW
100 E. SIX FOURS ROAD, SUITE 308
RALEIGH, NORTH CAROLINA 27609

ARMHEAD P. PIPKIN
JOE THOMAS KNOTT III
MICHAEL W. CLARK, ASSOCIATE

TELEPHONE (919) 783-5000
TELECOPY (919) 783-0650

February 3, 1995

Samuel T. Currin, Esquire
Post Office Box 269
Raleigh, North Carolina 27602-0269

Re: Helms for Senate

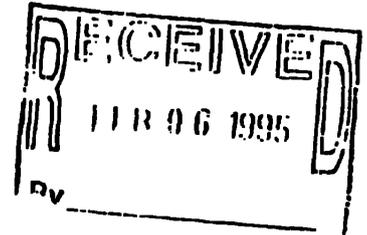
Dear Sam:

Thank you for your letter. Mr. Ellis and Carter both want you and Senator Helms to understand they sincerely hope we can put this long, drawn out process behind us without further disagreement. They sincerely believe they have provided Senator Helms' new Campaign Committee the information it needs -- including lists of donors, reattributions, redesignations, refunds, etc. -- to file its year-end FEC report and just as importantly, to comply with the FEC regulations in order to go forward with Senator Helms' campaign.

The other information mentioned in your letter relates to supporting documentation for past FEC reports filed by the former Committee and records of its activities. The FEC may request information about these reports or audit them at any time. If it does, the former Committee must be able to respond and, if needed, defend itself. To do this it must -- and is required by the regulations to -- retain these records and have them available to the FEC.

[REDACTED]

We respectfully take the position that if the FEC should request information, we must be in a position to respond. The old Committee, therefore, must remain in possession of its records in order to comply with the law and be in a position to respond to any inquiry made by the FEC.



Samuel T. Currin, Esquire
February 3, 1995
Page Two

This is how we see the questions raised in your letter. We hope you will understand our concerns are reasonable. Should you contact the FEC, we hope you will make it clear to them that: 1) we provided the new Committee the information it needed for its year-end FEC report; 2) we have provided the information needed for its future FEC compliance reports (such as the information needed to comply with contributions limits, etc.); and 3) the records of the former Committee's activity and the documents that support its FEC reports are readily available to the FEC should they require information.

As ever, best personal regards.

Yours truly,

PIPKIN & KNOTT, L.L.P.



Joe Thomas Knott, III

JTK/bpi